



Senate

General Assembly

File No. 309

January Session, 2001

Substitute Senate Bill No. 1062

Senate, April 17, 2001

The Committee on Transportation reported through SEN. CIOTTO of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING TOTALLED VEHICLES AND CERTIFICATES OF TITLE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Subsections (c) and (d) of section 14-16c of the general statutes are
2 repealed and the following is substituted in lieu thereof:

3 (c) The person, firm, company or corporation required to stamp
4 "SALVAGE" on the certificate of title shall stamp the following
5 statement on the face of any original or copy of such certificate issued
6 in accordance with this section which statement shall include the
7 estimated cost of repairs, as determined in accordance with the
8 provisions of section 38a-353: "WARNING: ALL PURCHASERS OF
9 THE MOTOR VEHICLE DESCRIBED HEREIN MUST RECORD
10 THEIR NAME AND ADDRESS ON THE REVERSE SIDE. THIS
11 VEHICLE WAS DAMAGED AND HAS AN ESTIMATED COST OF
12 REPAIR OF _____ DOLLARS. THIS VEHICLE CANNOT BE
13 REGISTERED OR RETITLED WITHOUT PASSING INSPECTION

14 UNDER SECTION 14-103a. THIS DOCUMENT MUST BE
15 SUBMITTED AT THE TIME OF INSPECTION." The dollar amount
16 contained in such statement shall be written in ink or printed by
17 mechanical or electronic means.

18 (d) No motor vehicle for which a copy has been made in accordance
19 with this section may be operated upon any highway in this state,
20 except that an owner of any such motor vehicle who is a motor vehicle
21 dealer or repairer licensed under the provisions of section 14-52 may
22 operate such vehicle for the purpose of presenting the vehicle for
23 inspection pursuant to section 14-103a. If such vehicle fails to comply
24 with the minimum standards, it shall be transported from the site of
25 such inspection. If any such motor vehicle is rebuilt for sale or use, the
26 owner shall apply to the Commissioner of Motor Vehicles for an
27 original certificate of title and present the vehicle for inspection
28 pursuant to section 14-103a. The certificate of title issued in accordance
29 with this section shall bear the legend "REBUILT" and shall contain, in
30 such form and manner determined by the commissioner, a notation of
31 the estimated cost of repairs, as disclosed on the prior title, in
32 accordance with the provisions of subsection (c) of this section. Such
33 certificate must be presented at the time of inspection, unless waived
34 by the commissioner for good cause.

TRA **JOINT FAVORABLE SUBST.**

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Motor Vehicles

Municipal Impact: None

Explanation**State Impact:**

This bill requires insurance companies to include cost of repairs on salvaged titles for totaled motor vehicles and if rebuilt the word "REBUILT" and a notation of the estimated cost of repairs on the certificate of title. This administrative change can be accomplished within available resources. There will be no fiscal impact for the Department of Insurance.

OLR Bill Analysis

sSB 1062

AN ACT CONCERNING TOTALLED VEHICLES AND CERTIFICATES OF TITLE.**SUMMARY:**

This bill requires salvage titles for totaled motor vehicles to contain information on the vehicle's estimated repair costs, and it requires any title the Department of Motor Vehicles (DMV) subsequently issues for the vehicle, if it is rebuilt for sale or use and passes the required DMV inspection, to bear the word "REBUILT" and a notation of the estimated repair costs disclosed on the prior title.

By law, if a totaled motor vehicle has a title certificate, it must be stamped with the words "SALVAGE" or "SALVAGE PARTS ONLY" by any insurance company taking possession of it in settlement of a claim or any entity that self-insures and owns the totaled vehicle. The "SALVAGE PARTS ONLY" designation must be used when the vehicle has 10 or more major component parts (defined by law) that are damaged beyond repair and must be replaced. In either case, a copy of the stamped title must be sent to the Department of Motor Vehicles (DMV).

Currently, a certificate with a "SALVAGE" designation on it must also have an additional statement warning any subsequent purchaser that (1) he must record his name and address on the back of the title and (2) the vehicle cannot be registered or retitled without undergoing a DMV inspection, at which time the title must be submitted. This bill requires the statement to also include the estimated cost of repairing the vehicle as determined under the requirements of the insurance laws. The estimated costs must be entered in ink or printed by mechanical or electronic means.

A vehicle with a "SALVAGE" designation can be rebuilt, reregistered, and retitled. A vehicle with a "SALVAGE PARTS ONLY" designation cannot be.

EFFECTIVE DATE: October 1, 2001

BACKGROUND

Title Stamping Exception

If a vehicle declared a total loss in settlement of an insurance claim has no damage to a major component part or has damage of not more than 15% of its retail value as determined by settlement calculation requirements of the insurance laws or \$1,000 as evidenced in an insurance adjuster's damage appraisal report, it is exempt from the title stamping requirement as long as proof of the lack of damage or limited damage is attached to the title certificate.

Major Component Parts

By law, major component parts include the engine; transmission; front fender; hood; passenger compartment door; front or rear bumper; rear quarter panel; deck lid, tailgate, or hatchback; trunk floor pan; pickup truck cargo box; frame or, if a unitized body, the supporting structures that serve as the frame; truck cab; passenger vehicle body; or any other part the DMV commissioner determines is of comparable design or function to any of these.

Totaled Vehicle Settlement Amount Calculation

The insurance law the bill cites for the purpose of determining the estimated repair cost that must be included on the salvage title requires the insurer to calculate the settlement value of a vehicle it has declared a constructive total loss by using at least the vehicle's average retail value given by the National Automobile Dealers Association used car guide and one other automobile industry source the insurance commissioner approves for this purpose. A constructive total loss is when the cost to repair or salvage the damaged property, or the cost to both repair and salvage it, equals or exceeds its total value at the time of the loss.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 28 Nay 0